

**IMPROVEMENT DISTRICT
RULES (CHAPTER 20)**

**Kakaako Community
Development District**

Honolulu, Hawaii

**UNOFFICIAL
COMPILATION**

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KAKAAKO COMMUNITY DEVELOPMENT DISTRICT

UNOFFICIAL COMPILATION
OF THE
IMPROVEMENT DISTRICT RULES

This is the 2000 edition of the Unofficial Compilation of the Improvement District Rules. The Improvement District Rules are part of the Hawaii Administrative Rules (HAR), Title 15, Department of Business, Economic Development & Tourism, Subtitle 4, Hawaii Community Development Authority (HCDA), Chapter 20, Improvement District Rules in the Kakaako Community Development District.

This edition includes amendments as of June 3, 2002. See Index of Amendments for a description of the amendments. The official Improvement District Rules and its amendments are on file at the Office of the Lieutenant Governor and may also be reviewed at the HCDA office.

Jan S. Yokota
Executive Director

KAKAAKO COMMUNITY DEVELOPMENT DISTRICT

UNOFFICIAL COMPILATION
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INDEX OF AMENDMENTS

Hawaii Administrative Rules, Title 15, Subtitle 4, Chapter 20, effective as of September 3, 1985, has subsequently been amended by the following:

SUBJECT	EFFECTIVE DATE
ID-1 Final Assessment Report	December 20, 1985
Designation of ID-2	March 31, 1988
ID-2 Final Assessment Report	July 28, 1988
Designation of ID-3	February 24, 1990
ID-3 Final Assessment Report	July 6, 1990
Designation of ID-4	October 13, 1994
ID-4 Final Assessment Report	June 12, 1995
Designation of ID-5	April 18, 1996
ID-5 Final Assessment Report	February 10, 1997
Designation of ID-7	February 17, 1998
ID-7 Final Assessment Report	September 8, 1998
Designation of ID-9	November 8, 1999
ID-9 Final Assessment Report	May 15, 2000
Designation of ID-10	February 4, 2002
ID-10 Final Assessment Report	June 3, 2002

TABLE OF CONTENTS

	<u>Pages</u>
Subchapter 1 General Provisions	
§15-20-1 Purpose.....	1
§15-20-2 Definitions.....	1
§15-20-3 to §15-20-20 Reserved.....	2
Subchapter 2 Improvement District 1	
§15-20-21 Improvement district 1.....	2
§15-20-22 Definitions.....	2
§15-20-23 Public land or land exempt from taxation.....	3
Subchapter 3 Improvement District 2	
§15-20-24 Improvement district 2.....	4
§15-20-25 Definitions.....	4
§15-20-26 Public land or land exempt from taxation.....	5
Subchapter 4 Improvement District 3	
§15-20-27 Improvement district 3.....	6
§15-20-28 Definitions.....	7
§15-20-29 Public land or land exempt from taxation.....	7
Subchapter 5 Improvement District 4	
§15-20-30 Improvement district 4.....	8
§15-20-31 Definitions.....	9
§15-20-32 Public land or land exempt from taxation.....	9
Subchapter 6 Improvement District 5	
§15-20-33 Improvement district 5.....	11
§15-20-34 Definitions.....	11

§15-20-35	Public land or land exempt from taxation.....	11
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Subchapter 7 Improvement District 7

§15-20-36	Improvement district 7.....	13
§15-20-37	Definitions.....	13
§15-20-38	Public land or land exempt from taxation.....	14

Subchapter 8 Improvement District 9

§15-20-39	Improvement district 9.....	15
§15-20-40	Definitions.....	15
§15-20-41	Public land or land exempt from taxation.....	16

Subchapter 9 Improvement District 10

§15-20-42	Improvement district 10.....	17
§15-20-43	Definitions.....	18
§15-20-44	Public land or land exempt from taxation.....	18

HAWAII ADMINISTRATIVE RULES

TITLE 15
DEPARTMENT OF BUSINESS, ECONOMIC
DEVELOPMENT & TOURISM

SUBTITLE 4
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

CHAPTER 20
IMPROVEMENT DISTRICT RULES

SUBCHAPTER 1

GENERAL PROVISIONS

§15-20-1 Purpose. The authority finds that the construction and installation of certain public facilities are necessary and desirable to facilitate the renewal and redevelopment of community development districts. The purpose of these rules is to establish improvement districts for the implementation of those public facilities identified in the authority's district-wide improvement program and to set forth the assessment to be charged the real property in the district specially benefiting from the public facilities. [Eff 9/3/85] (Auth: HRS §§206E-4, 206E-6) (Imp: §§206E-4, 206E-6)

§15-20-2 Definitions. As used in these rules, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

"Assessment area" means the areas of the properties deemed to specially benefit from a particular improvement with the improvement district;

"Assessment area district" means the properties deemed to specially benefit from a particular improvement within the improvement district;

"General benefits" mean those benefits flowing to the general public as a result of any improvement;

"Improvement district" means the area in which the improvements are to be constructed;

"Special benefits" mean those benefits resulting from the improvements, above and beyond the general benefits, which increase the market value of the property. [Eff 9/3/85] (Auth: HRS §§206E-4, 206E-6) (Imp: §§206E-4, 206E-6)

§15-20-3 to §15-20-20 (Reserved)

SUBCHAPTER 2

IMPROVEMENT DISTRICT 1

§15-20-21 Improvement district 1. The boundary of the assessment district, the assessment methods, the improvements to be constructed, the cost, the portion of the cost to be borne by the authority, the utility companies and the property owners, together with the lands to be condemned and the rate of assessments, are set forth in the assessment report of plans and details for the permanent improvement of the streets and utilities for improvement district 1 of the Kakaako community development district dated October 1985 and incorporated by reference and made a part of this section. [Eff 9/3/85, am 12/20/85] (Auth: HRS §§206E-4, 206E-6) (Imp: §§206E-4, 206E-6)

§15-20-22 Definitions. As used in this subchapter, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

"Eleemosynary organization" means a society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes, whose charter or other enabling act contains a provision that, in the event of dissolution, the land owned by such society, association, or corporation shall be distributed to another society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes. [Eff 12/20/85] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-23 Public land or land exempt from taxation.

(a) Whenever any public land, except lands owned by the board of water supply, or any land by law exempted from improvement assessments, or any land exempted by law from payment of property taxes which land is owned by an eleemosynary organization, is situated within any assessment area and would, if privately owned or not exempt from such assessment, be subject to assessment, the authority shall, nevertheless, without assessing such public or exempted land for any part of the cost of such improvements, pay toward such improvements the portion of the cost thereof which would otherwise be assessable against the same in a lump sum or in such equal installments and with such interest thereon as the authority shall determine. In the event, however, any part of such exempt lands as described in this section, except public lands, may be required for right-of-way or easement purposes within such assessment areas the value thereof shall be chargeable to the assessment area, and upon acquisition the owner shall be compensated therefor in the following manner:

- (1) Where the value of the part taken together with any severance damages exceeds the portion of the cost of the improvements which would otherwise be assessable against the exempt land, the authority shall pay the difference to the owner;
- (2) Where the value is less than the portion of the cost of improvements which would otherwise be assessable against such exempt lands, the value of the land shall be deducted therefrom and the authority shall pay the balance of the assessment as provided herein.

(b) In the event all or a portion of the land exempted from assessments as herein provided, other than public land, is sold or leased after the establishment of an assessment area, the grantee or the lessor, as the case may be, shall assume the payment of assessments from the date of such sale or lease in the same manner as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease; and that all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. Nothing in this section shall be taken to prejudice any rights of the State to reimbursement from the United States for assessments herein assumed by the State, but the latter shall be subrogated to the rights of the authority on such assessments so assumed.

(c) Whenever lands utilized by the public for roadway purposes at the time an assessment area is established, is thereafter sold or leased, such land area shall be assessed at the same rates and methods as set forth in the assessment report for properties within the assessment area, the grantee or lessor, as the case may be, shall assume the payment of the assessment from the date of such sale or lease as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease. The authority shall not be required to adjust assessments against other properties within the assessment area in the application of the provisions of this subsection (c), and all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. [Eff 12/20/85] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

SUBCHAPTER 3

IMPROVEMENT DISTRICT 2

§15-20-24 Improvement district 2. The boundary of the assessment district, the assessment methods, the improvement to be constructed, the cost, the portion of the cost to be borne by the authority, the utility companies and the property owners, together with the lands to be condemned and the rate of assessments, are set forth in assessment report of plans and details for the permanent improvement of the streets and utilities for improvement district 2 of the Kakaako community development district dated June 15, 1988 and incorporated by reference and made a part of this section. [Eff 3/31/88, am 7/28/88] (Auth: HRS §206E-4, 206E-6) (Imp: HRS §206E-4, 206E-6)

§15-20-25 Definitions. As used in this subchapter, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

"Eleemosynary organization" means a society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes, whose charter or other enabling act

contains a provision that, in the event of dissolution, the land owned by such society, association, or corporation shall be distributed to another society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benelovent purposes. [Eff 3/31/88] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-26 Public land or land exempt from taxation.

(a) Whenever any public land, except lands owned by the board of water supply, or any land by law exempted from improvement assessments, or any land exempted by law from payment of property taxes which land is owned by an eleemosynary organization, is situated within any assessment area and would, if privately owned or not exempt from such assessment, be subject to assessment, the authority shall, nevertheless, without assessing such public or exempted land for any part of the cost of such improvements, pay toward such improvements the portion of the cost thereof which would otherwise be assessable against the same in a lump sum or in such equal installments and with such interest thereon as the authority shall determine. In the event, however, any part of such exempt lands as described in this section, except public lands, may be required for right-of-way or easement purposes within such assessment areas the value thereof shall be chargeable to the assessment area, and upon acquisition the owner shall be compensated therefor in the following manner:

- (1) Where the value of the part taken together with any severance damages exceeds the portion of the cost of the improvements which would otherwise be assessable against the exempt land, the authority shall pay the difference to the owner;
- (2) Where the value is less than the portion of the cost of improvements which would otherwise be assessable against such exempt lands, the value of the land shall be deducted therefrom and the authority shall pay the balance of the assessment as provided herein.

(b) In the event all or a portion of the land exempted from assessments as herein provided, other than public land, is sold or leased after the establishment of an assessment area, the grantee or the lessor, as the case may be, shall assume the payment of assessments from the date of such sale or lease in the same manner as if the property had not been exempted from assessments and as if assessments

proportionable against the property had been paid in installments to such date of sale or lease; and that all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. Nothing in this section shall be taken to prejudice any rights of the State to reimbursement from the United States for assessments herein assumed by the State, but the latter shall be subrogated to the rights of the authority on such assessments so assumed.

(c) Whenever lands utilized by the public for roadway purposes at the time an assessment area is established are thereafter sold or leased, such land area shall be assessed at the same rates and methods as set forth in the assessment report for properties within the assessment area, the grantee or lessor, as the case may be, shall assume the payment of the assessment from the date of such sale or lease as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease. The authority shall not be required to adjust assessments against other properties within the assessment area in the application of the provisions of this subsection (c), and all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. [Eff 3/31/88] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

SUBCHAPTER 4

IMPROVEMENT DISTRICT 3

§15-20-27 Improvement district 3. The boundary of the assessment district, the assessment methods, the improvement to be constructed, the cost, the portion of the cost to be borne by the authority, the utility companies and the property owners, together with the lands to be condemned and the rate of assessments, are set forth in assessment report of plans and details for the permanent improvement of the streets and utilities for improvement district 3 of the Kakaako community development district. The Assessment Report dated April 1990 is made a part of this subchapter. [Eff 2/24/90, am 7/6/90] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-28 Definitions. As used in this subchapter, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

"Eleemosynary organization" means a society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes, whose charter or other enabling act contains a provision that, in the event of dissolution, the land owned by such society, association, or corporation shall be distributed to another society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes. [Eff 2/24/90] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-29 Public land or land exempt from taxation.
(a) Whenever any public land, except lands owned by the board of water supply, or any land by law exempted from improvement assessments, or any land exempted by law from payment of property taxes which land is owned by an eleemosynary organization, is situated within any assessment area and would, if privately owned or not exempt from such assessment, be subject to assessment, the authority shall, nevertheless, without assessing such public or exempted land for any part of the cost of such improvements, pay toward such improvements the portion of the cost thereof which would otherwise be assessable against the same in a lump sum or in such equal installments and with such interest thereon as the authority shall determine. In the event, however, any part of such exempt lands as described in this section, except public lands, may be required for right-of-way or easement purposes within such assessment areas the value thereof shall be chargeable to the assessment area, and upon acquisition the owner shall be compensated therefor in the following manner:

- (1) Where the value of the part taken together with any severance damages exceeds the portion of the cost of the improvements which would otherwise be assessable against the exempt land, the authority shall pay the difference to the owner;
- (2) Where the value is less than the portion of the cost of improvements which would otherwise be assessable against such exempt lands, the value of the land shall be deducted therefrom and the

authority shall pay the balance of the assessment as provided herein.

(b) In the event all or a portion of the land exempted from assessments as herein provided, other than public land, is sold or leased after the establishment of an assessment area, the grantee or the lessor, as the case may be, shall assume the payment of assessments from the date of such sale or lease in the same manner as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease; and that all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. Nothing in this section shall be taken to prejudice any rights of the State to reimbursement from the United States for assessments herein assumed by the State, but the latter shall be subrogated to the rights of the authority on such assessments so assumed.

(c) Whenever lands utilized by the public for roadway purposes at the time an assessment area is established are thereafter sold or leased, such land area shall be assessed at the same rates and methods as set forth in the assessment report for properties within the assessment area, the grantee or lessor, as the case may be, shall assume the payment of the assessment from the date of such sale or lease as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease. The authority shall not be required to adjust assessments against other properties within the assessment area in the application of the provisions of this subsection (c), and all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. [Eff 2/24/90] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

SUBCHAPTER 5

IMPROVEMENT DISTRICT 4

§15-20-30 Improvement district 4. The boundary of the assessment district, the assessment methods, the improvement to be constructed, the cost, the portion of the cost to be borne by the authority, the utility companies and the

property owners, together with the lands to be condemned and the rate of assessments, are set forth in assessment report of plans and details for the permanent improvement of the streets and utilities for improvement district 4 of the Kakaako community development district. The Assessment Report dated February 1995 is made a part of this subchapter. [Eff 10/13/94, am 6/12/95] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-31 Definitions. As used in this subchapter, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

"Eleemosynary organization" means a society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes, whose charter or other enabling act contains a provision that, in the event of dissolution, the land owned by such society, association, or corporation shall be distributed to another society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes. [Eff 10/13/94] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-32 Public land or land exempt from taxation.
(a) Whenever any public land, except lands owned by the board of water supply, or any land by law exempted from improvement assessments, or any land exempted by law from payment of property taxes which land is owned by an eleemosynary organization, is situated within any assessment area and would, if privately owned or not exempt from such assessment, be subject to assessment, the authority shall, nevertheless, without assessing such public or exempted land for any part of the cost of such improvements, pay toward such improvements the portion of the cost thereof which would otherwise be assessable against the same in a lump sum or in such equal installments and with such interest thereon as the authority shall determine. In the event, however, any part of such exempt lands as described in this section, except public lands, may be required for right-of-way or easement purposes within such assessment areas the value thereof shall be chargeable to the assessment area, and upon acquisition the owner shall be compensated therefor in the following manner:

- (1) Where the value of the part taken together with any severance damages exceeds the portion of the cost of the improvements which would otherwise be assessable against the exempt land, the authority shall pay the difference to the owner;
- (2) Where the value is less than the portion of the cost of improvements which would otherwise be assessable against such exempt lands, the value of the land shall be deducted therefrom and the authority shall pay the balance of the assessment as provided herein.

(b) In the event all or a portion of the land exempted from assessments as herein provided, other than public land, is sold or leased after the establishment of an assessment area, the grantee or the lessor, as the case may be, shall assume the payment of assessments from the date of such sale or lease in the same manner as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease; and that all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. Nothing in this section shall be taken to prejudice any rights of the State to reimbursement from the United States for assessments herein assumed by the State, but the latter shall be subrogated to the rights of the authority on such assessments so assumed.

(c) Whenever lands utilized by the public for roadway purposes at the time an assessment area is established are thereafter sold or leased, such land area shall be assessed at the same rates and methods as set forth in the assessment report for properties within the assessment area, the grantee or lessor, as the case may be, shall assume the payment of the assessment from the date of such sale or lease as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease. The authority shall not be required to adjust assessments against other properties within the assessment area in the application of the provisions of this subsection (c), and all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. [Eff 10/13/94] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

SUBCHAPTER 6

IMPROVEMENT DISTRICT 5

§15-20-33 Improvement district 5. The boundary of the assessment district, the assessment methods, the improvement to be constructed, the cost, the portion of the cost to be borne by the authority, the utility companies and the property owners, together with the lands to be condemned and the rate of assessments, are set forth in an assessment report of plans and details for the permanent improvement of the streets and utilities for improvement district 5 of the Kakaako community development district. The Assessment Report dated November 1996 is made a part of this subchapter. [Eff 4/18/96, am 2/10/97] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-34 Definitions. As used in this subchapter, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

"Eleemosynary organization" means a society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes, whose charter or other enabling act contains a provision that, in the event of dissolution, the land owned by such society, association, or corporation shall be distributed to another society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes. [Eff 4/18/96] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-35 Public land or land exempt from taxation.
(a) Whenever any public land, except lands owned by the board of water supply, or any land by law exempted from improvement assessments, or any land exempted by law from payment of property taxes which land is owned by an eleemosynary organization, is situated within any assessment area and would, if privately owned or not exempt from such assessment, be subject to assessment, the authority shall, nevertheless, without assessing such public or exempted land for any part of the cost of such improvements, pay toward

such improvements the portion of the cost thereof which would otherwise be assessable against the same in a lump sum or in such equal installments and with such interest thereon as the authority shall determine. In the event, however, any part of such exempt lands as described in this section, except public lands, may be required for right-of-way or easement purposes within such assessment areas the value thereof shall be chargeable to the assessment area, and upon acquisition the owner shall be compensated therefor in the following manner:

- (1) Where the value of the part taken together with any severance damages exceeds the portion of the cost of the improvements which would otherwise be assessable against the exempt land, the authority shall pay the difference to the owner;
- (2) Where the value is less than the portion of the cost of improvements which would otherwise be assessable against such exempt lands, the value of the land shall be deducted therefrom and the authority shall pay the balance of the assessment as provided herein.

(b) In the event all or a portion of the land exempted from assessments as herein provided, other than public land, is sold or leased after the establishment of an assessment area, the grantee or the lessor, as the case may be, shall assume the payment of assessments from the date of such sale or lease in the same manner as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease; and that all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. Nothing in this section shall be taken to prejudice any rights of the State to reimbursement from the United States for assessments herein assumed by the State, but the latter shall be subrogated to the rights of the authority on such assessments so assumed.

(c) Whenever lands utilized by the public for roadway purposes at the time an assessment area is established are thereafter sold or leased, such land area shall be assessed at the same rates and methods as set forth in the assessment report for properties within the assessment area, the grantee or lessor, as the case may be, shall assume the payment of the assessment from the date of such sale or lease as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale

or lease. The authority shall not be required to adjust assessments against other properties within the assessment area in the application of the provisions of this subsection (c), and all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. [Eff 4/18/96] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

SUBCHAPTER 7

IMPROVEMENT DISTRICT 7

§15-20-36 Improvement district 7. The boundary of the assessment district, the assessment methods, the improvement to be constructed, the cost, the portion of the cost to be borne by the authority, the utility companies and the property owners, together with the lands to be condemned and the rate of assessments, are set forth in an assessment report of plans and details for the permanent improvement of the streets and utilities for improvement district 7 of the Kakaako community development district. The Assessment Report dated April 1998 is made a part of this subchapter. [Eff 2/17/98, am 9/8/98] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-37 Definitions. As used in this subchapter, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

"Eleemosynary organization" means a society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes, whose charter or other enabling act contains a provision that, in the event of dissolution, the land owned by such society, association, or corporation shall be distributed to another society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes. [Eff 2/17/98] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-38 Public land or land exempt from taxation.

(a) Whenever any public land, except lands owned by the board of water supply, or any land by law exempted from improvement assessments, or any land exempted by law from payment of property taxes which land is owned by an eleemosynary organization, is situated within any assessment area and would, if privately owned or not exempt from such assessment, be subject to assessment, the authority shall, nevertheless, without assessing such public or exempted land for any part of the cost of such improvements, pay toward such improvements the portion of the cost thereof which would otherwise be assessable against the same in a lump sum or in such equal installments and with such interest thereon as the authority shall determine. In the event, however, any part of such exempt lands as described in this section, except public lands, may be required for right-of-way or easement purposes within such assessment areas the value thereof shall be chargeable to the assessment area, and upon acquisition the owner shall be compensated therefor in the following manner:

- (1) Where the value of the part taken together with any severance damages exceeds the portion of the cost of the improvements which would otherwise be assessable against the exempt land, the authority shall pay the difference to the owner;
- (2) Where the value is less than the portion of the cost of improvements which would otherwise be assessable against such exempt lands, the value of the land shall be deducted therefrom and the authority shall pay the balance of the assessment as provided herein.

(b) In the event all or a portion of the land exempted from assessments as herein provided, other than public land, is sold or leased after the establishment of an assessment area, the grantee or the lessor, as the case may be, shall assume the payment of assessments from the date of such sale or lease in the same manner as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease; and that all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. Nothing in this section shall be taken to prejudice any rights of the State to reimbursement from the United States for assessments herein assumed by the State, but the latter shall be subrogated to the rights of the authority on such assessments so assumed.

(c) Whenever lands utilized by the public for roadway purposes at the time an assessment area is established are thereafter sold or leased, such land area shall be assessed at the same rates and methods as set forth in the assessment report for properties within the assessment area, the grantee or lessor, as the case may be, shall assume the payment of the assessment from the date of such sale or lease as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease. The authority shall not be required to adjust assessments against other properties within the assessment area in the application of the provisions of this subsection (c), and all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. [Eff 2/17/98] Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

SUBCHAPTER 8

IMPROVEMENT DISTRICT 9

§15-20-39 Improvement district 9. The boundary of the assessment district, the assessment methods, the improvement to be constructed, the cost, the portion of the cost to be borne by the authority, the utility companies and the property owners, together with the lands to be condemned and the rate of assessments, are set forth in an assessment report of plans and details for the permanent improvement of the streets and utilities for improvement district 9 of the Kakaako community development district. The Assessment Report dated February 2000 is made a part of this subchapter. [Eff 11/8/99, am 5/15/00] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-40 Definitions. As used in this subchapter, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

"Eleemosynary organization" means a society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes, whose charter or other enabling act

contains a provision that, in the event of dissolution, the land owned by such society, association, or corporation shall be distributed to another society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes. [Eff 11/8/99] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-41 Public land or land exempt from taxation.

(a) Whenever any public land, except lands owned by the board of water supply, or any land by law exempted from improvement assessments, or any land exempted by law from payment of property taxes which land is owned by an eleemosynary organization, is situated within any assessment area and would, if privately owned or not exempt from such assessment, be subject to assessment, the authority shall, nevertheless, without assessing such public or exempted land for any part of the cost of such improvements, pay toward such improvements the portion of the cost thereof which would otherwise be assessable against the same in a lump sum or in such equal installments and with such interest thereon as the authority shall determine. In the event, however, any part of such exempt lands as described in this section, except public lands, may be required for right-of-way or easement purposes within such assessment areas the value thereof shall be chargeable to the assessment area, and upon acquisition the owner shall be compensated therefor in the following manner:

- (1) Where the value of the part taken together with any severance damages exceeds the portion of the cost of the improvements which would otherwise be assessable against the exempt land, the authority shall pay the difference to the owner;
- (2) Where the value is less than the portion of the cost of improvements which would otherwise be assessable against such exempt lands, the value of the land shall be deducted therefrom and the authority shall pay the balance of the assessment as provided herein.

(b) In the event all or a portion of the land exempted from assessments as herein provided, other than public land, is sold or leased after the establishment of an assessment area, the grantee or the lessor, as the case may be, shall assume the payment of assessments from the date of such sale or lease in the same manner as if the property had not been exempted from assessments and as if assessments

proportionable against the property had been paid in installments to such date of sale or lease; and that all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. Nothing in this section shall be taken to prejudice any rights of the State to reimbursement from the United States for assessments herein assumed by the State, but the latter shall be subrogated to the rights of the authority on such assessments so assumed.

(c) Whenever lands utilized by the public for roadway purposes at the time an assessment area is established are thereafter sold or leased, such land area shall be assessed at the same rates and methods as set forth in the assessment report for properties within the assessment area, the grantee or lessor, as the case may be, shall assume the payment of the assessment from the date of such sale or lease as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease. The authority shall not be required to adjust assessments against other properties within the assessment area in the application of the provisions of this subsection (c), and all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. [Eff 11/8/99] Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

SUBCHAPTER 9

IMPROVEMENT DISTRICT 10

§15-20-42 Improvement district 10. The boundary of the assessment district, the assessment methods, the improvement to be constructed, the cost, the portion of the cost to be borne by the authority, the utility companies and the property owners, together with the lands to be condemned and the rate of assessments, are set forth in an assessment report of plans and details for the permanent improvement of the streets and utilities for improvement district 10 of the Kakaako community development district. The Assessment Report dated March 2002 is made a part of this subchapter. [Eff 2/4/02, am 6/3/02] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-43 Definitions. As used in this subchapter, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

"Eleemosynary organization" means a society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes, whose charter or other enabling act contains a provision that, in the event of dissolution, the land owned by such society, association, or corporation shall be distributed to another society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes. [Eff 2/4/02] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-44 Public land or land exempt from taxation.

(a) All lands situated within any assessment area shall be subject to improvement assessments, except the following:

- (1) Public lands, except lands owned by the board of water supply;
- (2) Any land, which by law is exempted from improvement assessments; or
- (3) Any land, exempted by law from the payment of property taxes, which is owned by an eleemosynary organization.

The authority shall pay toward the portion of the cost of improvements, which would otherwise be assessed to the aforementioned exempt lands as if such lands were privately owned or not exempt from assessments.

(b) Except for public lands, if any portion of the aforementioned exempt lands in subsection (a) is required for right-of-way or easement purposes within an assessment area, the value thereof shall be chargeable to the assessment area. Upon acquisition, the authority shall compensate the owner of such lands as follows:

- (1) If the value of the acquired portion, including severance damages, exceeds the improvement cost that would otherwise be assessable against the exempt land, the authority shall pay the difference to the owner; or
- (2) If the value of the acquired portion is less than the improvement cost that would otherwise be assessable against the exempt land, the value of the acquired portion shall be deducted from the

improvement cost and the authority shall pay the balance of the assessment as provided herein.

(c) In the event all or a portion of the land exempted from assessments as provided in subsection (a) is sold or leased after the establishment of an assessment area, the following shall take effect:

- (1) The grantee or the lessor, as the case may be, shall assume the payment of assessments from the date of such sale or lease in the same manner as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease; and
- (2) All payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund.

Nothing in this section shall be taken to prejudice any rights of the State to reimbursement from the United States for assessments herein assumed by the State, but the latter shall be subrogated to the rights of the authority on such assessments so assumed.

(d) In the event lands utilized by the public for roadway purposes at the time an assessment area is established are thereafter sold or leased, the following shall take effect:

- (1) Such land area shall be assessed at the same rates and methods as set forth in the assessment report for properties within the assessment area; and
- (2) The grantee or lessor, as the case may be, shall assume the payment of the assessment from the date of such sale or lease as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease.

The authority shall not be required to adjust assessments against other properties within the assessment area in the application of the provisions of this subsection (d), and all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. [Eff 2/4/02] Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)